



Executive Office

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November 23, 2004

David Henka, Executive Account Manager
Kaiser Foundation Health Plan, Inc.
Point West Medical Office
1650 Response Road
Sacramento, CA 95815

SUBJECT: Formulary Safety

Dear David:

I am writing to express our concern about recent reports that imply that certain unsafe prescription drugs have been and continue to be made available to the public. CalPERS relies on our plan partners to ensure the safety and efficacy of the prescription drugs that are dispensed to our members.

As you are aware, the Senate held hearings last week on the withdrawal of Vioxx by Merck. In addition, the following five drugs were also cited by an expert as remaining on the market despite safety concerns:

- Accutane
- Crestor
- Meridia
- Serevent
- Bextra

CalPERS will need to respond to questions from members and the Board of Administration on what protective measures have been put into place.

Please explain what measures you have taken to ensure that the appropriate precautions have been implemented to protect our members. If any of the drugs in question are part of your formulary, please objectively support why you believe your formulary to be safe. Your immediate response is requested.

Sincerely,

Jarvio A. Grevious
Assistant Executive Officer
Health Benefits

cc: Sean Harrigan, President, Board of Administration
Fred Buenrostro, CEO
Peter Mixon, Chief Counsel